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SUBJECT: MEDIA REACTION; ARGENTINE FOREIGN POLICY;
BEIJING-WASHINGTON TENSION; 08/09/07

11. SUMMARY STATEMENT

Leading international opinion pieces cover Argentina's current and upcoming foreign policy; and the mounting trade dispute between the US and China.

12. OPINION PIECES AND EDITORIALS

- "Gestures towards the world"

Ricardo Kirschbaum, general editor of leading "Clarin," writes (08/09) "The (Argentine) Government is making gestures towards the world which are in line with the new (foreign) policy Cristina Kirchner could implement if she wins the presidency... There has been a test in Buenos Aires - firebrand Hugo Chvez, Spanish VP and the members of the influential Council of the Americas have come to Argentina.

"This will continue in September in New York when Nestor Kirchner attends the UN General Assembly meetings and a panel promoted by former US President Bill Clinton..."

"This is a turning point in Argentina's foreign policy, which is aimed at making the US-Argentine bilateral relationship more functional. Diplomatic sources say that Argentina has been cooperative on crucial issues. Regardless of ideological rhetoric, the facts demonstrate that ties are much better than they appear to be.

"Regarding Chvez, Argentina's need to maintain a good relationship with him is justified by the fact that Venezuela lent a financial hand to Kirchner when others refused. While Kirchner is not at ease with the Venezuelan's radical rhetoric, he is a pragmatist (just like Argentine businessmen who invest in Venezuela).

"On Spain, its VP is a heavyweight. Although with variations, Spain has always been a permanent ally of Kirchner in spite of the latter's rebuffs. And this is a bilateral relationship Cristina would like to greatly improve, as well as reactivate ties to Paris and Berlin. Her purpose is to reach a deal to pay off the country's debt to the Paris Club."

- "The pit and the pendulum"

An editorial in liberal, English-language "Buenos Aires Herald" reads (08/09) "President Nestor Kirchner is widely thought to be hatching a new political movement which would part company with Peronism altogether but Tuesday's simultaneous flirtation with Venezuelan President Hugo Chvez and the Council of Americas... was entirely typical of Peronism's founder who welcomed Nazi war criminals in the first years of his presidency while making

Argentina one of the first countries in the world to recognize the State of Israel. Within hours of each other Kirchner was receiving from a 'post-sultanate' Chvez energy guarantees and debt bond purchases of half a billion dollars... while his wife and chosen successor Senator Cristina Fernández de Kirchner was fishing for US investments in the five-star hotel at Tuesday's Council of Americas conference.

"'Argentina is a very good business opportunity' was the core of Mrs. Kirchner's message but her choice of tense was debatable.'Was a very good business opportunity,' some might say looking at the recent financial turbulence and the energy constraints..."

"Such pendular politics (Mexico's center-right President Felipe Calderón last week, the 'Bolivarian' firebrand Chvez this week or Chvez at one end of the day and the Council of Americas businessmen at the other) are all very well and fine but need a sense of balance and direction - countries which expend their energies swinging from side to side generally do not move ahead."

- "China threatens to make the US dollar collapse and raise alarm bells in the US"

Ana Baron, Washington-based correspondent for leading "Clarin," writes (08/09) "Patience is one of China's traditional features. However, everything indicates that it is coming to an end. Tired of the US pressure to have China revalue the Yuan and facing the possibility that legislation could be passed by Capitol Hill to punish China's trade if it does not do it, two members of Beijing's Communist Party threatened to resort to what they call 'the nuclear choice.'

"While this choice does not imply to attack the US with WMD, its effect could be just as devastating. The idea would be to sell some of the bonds for 900 billion dollars that are deposited in the Chinese Central Bank to make the US dollar collapse.

"US President George W. Bush termed the threat as 'senseless'..."

"... The situation is complicated because, in full election campaign, the US trade conflict with China is part of the agenda of all US presidential candidates. By keeping the Yuan value at a low level, the Chinese Government has a competitive advantage in the huge US market..."

"... Nonetheless, this is not all. A devalued Yuan also favors the transfer of US companies to China, which increases the US unemployment rate."

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